

**CONNECTICUT GENERAL ASSEMBLY
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Legislative Office Building Room 2B
Friday, March 1, 2013 at 10:00 a.m.**

**TESTIMONY OF ADAM J. COHEN
TO THE PLANNING AND DEVELOPMENT COMMITTEE
ON PROPOSED SENATE BILL 965, "AN ACT CONCERNING
CHANGES TO MUNICIPAL REVENUE COLLECTION STATUTES"**

My name is Adam J. Cohen and I am an attorney with the law firm of Pullman & Comley in Bridgeport. I have advised and represented approximately one-third of all the towns in Connecticut, plus dozens of taxing districts and similar municipal entities, with respect to their revenue collection efforts and practices. I also serve as general counsel to the Connecticut Tax Collectors Association, a trade group primarily devoted to educating municipal revenue collectors and standardizing the procedures they use to fulfill their responsibilities.

I urge this Committee to approve Senate Bill 965, "An Act Concerning Changes to Municipal Revenue Collection Statutes." Over the last 18 months, the tax collectors have worked diligently to develop this proposed legislation to remedy a number of problems in the existing laws which govern their duties. Tax collectors have no authority over tax policy, rates, or programs. They do not decide who is responsible to pay or how much. Instead, their function is purely ministerial: they collect taxes in the amounts and manner as they are directed by assessors and legislators. They are in the unique position of working on a daily basis with Chapter 204 of the General Statutes and other laws which set forth the procedures by which municipal taxes are paid voluntarily and recovered through litigation, garnishments, and similar mechanisms. The purpose of Senate Bill 965 is to remove the ambiguities, inefficiencies, and inadequacies in these existing laws.

Most of the proposals are aimed at streamlining. For example, Sections 21 and 36 would make it easier for tax collectors to waive tiny leftover balances and suspend enforcement of uncollectable amounts. Section 17 would eliminate most fixed surcharges against debtors (such as 20¢ for each levy and 25¢ for each mailing), in lieu of reimbursal of actual out-of-pocket costs. Sections 9 and 10 would extend deadlines for overpayment refund requests and confirm, as the State Treasurer's Office has advised us, that unrefunded overpayments should not escheat. Section 29 would clarify that two municipalities owed past-due taxes on the same property (most often because the property is located within a district in the town) can undertake collection efforts involving that property jointly. Sections 14 and 43 repeal obsolete provisions, such as those referring to "carbon copies" of records, DRS forms which have not existed in decades, and the right of a deceased collector's executor to continue performing his job duties.

Other provisions would standardize certain procedures which existing ambiguities in the law cause tax collectors in various towns to handle differently. For example, Sections 20 and 23 would, respectively, standardize certain interest calculations and the manner in which partial payments are applied. Section 30 would resolve a number of potential title defects in properties auctioned by tax sale which have been periodically raised by title insurers.

The tax collectors also take very seriously recent media reports of a small number of collection officers who issued false payment releases for friends, colleagues, or relatives. Sections 8, 38, and 39 would condemn these wrongdoers by explicitly prohibiting tax collectors from compromising, waiving, or lying about tax delinquencies and require state approval of individual hardship abatements (which C.G.S. § 12-125 already requires for corporations).

Finally, two proposals are aimed at saving homes from tax foreclosure while protecting the municipality's collection rights. First, Section 30 would amend C.G.S. § 12-157(f) to give junior mortgagees a priority incentive to redeem tax-delinquent properties in order to prevent them from being auctioned in tax sales. Second, Section 7 would remove a strong disincentive in C.G.S. § 12-124a, which allows towns to grant low-income individuals more time to pay their property taxes at a reduced interest rate, by restoring the priority of those tax liens (see C.G.S. § 12-172) which the existing law says must be subordinated to the mortgages and is therefore virtually never used.

Senate Bill 965 is common-sense legislation which will help municipal tax collectors perform their duties fairly, efficiently, and in a uniform manner statewide. We are not aware of any opposition to these proposals. Please vote in favor of this important bill.